

**AL OMRAN INDUSTRIAL TRADING COMPANY  
SAUDI JOINT STOCK COMPANY  
CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS (UNAUDITED)  
AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE -MONTH PERIOD ENDED 31 MARCH 2023**

**AL OMRAN INDUSTRIAL TRADING COMPANY**  
**SAUDI JOINT STOCK COMPANY**  
**INDEX OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTH-PERIOD ENDED 31 MARCH 2023**

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**INDEPENDENT AUDITORS' REVIEW REPORT OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

To the Shareholders of  
**AL OMRAN INDUSTRIAL TRADING COMPANY**  
(A Saudi Joint Stock Company)  
Riyadh – Kingdom of Saudi Arabia

**Introduction:**

We have reviewed the condensed consolidated interim of financial position of **Al Omran Industrial Trading Company** ("the Company") and its subsidiary ("the Group") as at 31 March 2023, and the condensed consolidated interim statements of comprehensive income, condensed consolidated interim statements of changes in shareholders' equity and condensed consolidated interim statements of cash flows for the three-month period then ended, and notes to the condensed consolidated interim financial statements, including a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and presentation for these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

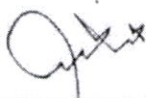
**Scope of review:**

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards in Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion:**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as of 31 March 2023 are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

For Al-Kharashi & Co.



Abdullah S. Al Msned  
License No. (456)



Riyadh at:  
23 May 2023  
3 Dhu al-Qidah 1443H



**AL OMRAN INDUSTRIAL TRADING COMPANY**  
**SAUDI JOINT STOCK COMPANY**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

(All amounts are in Saudi Riyals unless otherwise noted)

	Note	31 March 2023 (Unaudited)	31 December 2022 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment, net	6	34,968,564	35,664,217
Right of use assets, net		1,098,534	1,199,042
<b>Total non-current assets</b>		<b>36,067,098</b>	<b>36,863,259</b>
<b>Current assets</b>			
Inventory, net	7	117,254,578	104,078,751
Trade receivables, net	8	50,587,666	36,324,296
Prepayments and other debit balances, net		9,391,456	10,146,923
Cash and cash equivalents		2,008,789	2,756,587
<b>Total current assets</b>		<b>179,242,489</b>	<b>153,306,557</b>
<b>Total assets</b>		<b>215,309,587</b>	<b>190,169,816</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	9	60,000,000	60,000,000
Statutory reserve		11,494,460	11,494,460
General reserve		695,834	695,834
Reserve for remeasurement of employees' benefits		(2,829,600)	(2,829,600)
Retained earnings		45,469,272	46,101,978
<b>Equity attributable to the shareholders of the company</b>		<b>114,829,966</b>	<b>115,462,672</b>
Non-controlling interests		(538,885)	(512,642)
<b>Total equity</b>		<b>114,291,081</b>	<b>114,950,030</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employees' defined benefits liabilities		8,041,039	7,741,138
Long term loans	10	917,570	917,570
Lease liabilities – non current portion		1,031,766	1,026,886
<b>Total non-current liabilities</b>		<b>9,990,375</b>	<b>9,685,594</b>
<b>CURRENT LIABILITIES</b>			
Short term loans	10	59,709,254	44,698,781
Lease liabilities – current portion		125,000	345,000
Trade Payables		13,601,781	5,244,818
Accrued expenses and other credit balances		9,942,487	7,230,198
Due to a related party	11	1,765,025	1,519,025
Provision for contingent Liabilities	12-1	2,297,211	2,297,211
Zakat provision	12-2	3,587,373	4,199,159
<b>Total current liabilities</b>		<b>91,028,131</b>	<b>65,534,192</b>
<b>Total liabilities</b>		<b>101,018,506</b>	<b>75,219,786</b>
<b>Total equity and liabilities</b>		<b>215,309,587</b>	<b>190,169,816</b>

Saber Mohamed Hegazy  
Chief Financial Officer

Abdul Rahman Muhammad bin Imran  
Chief Executive Officer

The accompanying notes from 1 to 17 are an integral part of these condensed consolidated interim financial statements.

AL OMRAN INDUSTRIAL TRADING COMPANY  
SAUDI JOINT STOCK COMPANY  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTH-PERIOD ENDED 31 MARCH 2023  
(All amounts are in Saudi Riyals unless otherwise noted)

	Note	For the three-month period ended 31 March	
		2023 (Unaudited)	2022 (Unaudited)
Revenues, net	13	41,431,983	41,477,479
Cost of revenues		(35,215,081)	(33,072,145)
<b>Gross profit</b>		<b>6,216,902</b>	<b>8,405,334</b>
Selling and marketing expenses		(3,507,731)	(3,445,240)
General and administrative expenses		(1,966,713)	(1,481,294)
<b>Operating profit</b>		<b>742,458</b>	<b>3,478,800</b>
Finance costs		(690,058)	(514,901)
<b>Profit before zakat</b>		<b>52,400</b>	<b>2,963,899</b>
Zakat	12-2	(711,349)	(684,093)
<b>(Loss) / profit for the period</b>		<b>(658,949)</b>	<b>2,279,806</b>
<b>(Loss) / profit for the period attributable to:</b>			
Shareholders of the Company		(632,706)	2,261,065
Non-controlling interests		(26,243)	18,741
		<b>(658,949)</b>	<b>2,279,806</b>
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss		-	-
<b>Total comprehensive (loss) / income for the period</b>		<b>(658,949)</b>	<b>2,279,806</b>
<b>Total comprehensive (loss) / income for the period attributable to:</b>			
Shareholders of the company		(632,706)	2,261,065
Non-controlling interest		(26,243)	18,741
		<b>(658,949)</b>	<b>2,279,806</b>
<b>Basic and diluted (loss) / earnings per share from net (loss) / profit the period attributable to shareholders of the company</b>	14	<b>(0.11)</b>	<b>0.38</b>

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Abdul Rahman Muhammad bin Imran  
Chief Executive Officer

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**AL OMRAN INDUSTRIAL TRADING COMPANY**  
**SAUDI JOINT STOCK COMPANY**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**  
**FOR THE THREE MONTH-PERIOD ENDED 31 MARCH 2023**  
(All amounts are in Saudi Riyals unless otherwise noted)

	Share capital	Statutory reserve	General reserve	Reserve for remeasurement of employees' benefits	Retained earnings	Equity attributable to the company's shareholders	Non-controlling interests	Total
<b>For the three month-period ended 31 March 2022</b>								
Balance as at 1 January 2022 (Audited)	60,000,000	10,915,307	695,834	(1,217,454)	45,389,603	115,783,290	(477,000)	115,306,290
Profit for the period	-	-	-	-	2,261,065	2,261,065	18,741	2,279,806
<b>Balance at 31 March 2022 (Unaudited)</b>	<u>60,000,000</u>	<u>10,915,307</u>	<u>695,834</u>	<u>(1,217,454)</u>	<u>47,650,668</u>	<u>118,044,355</u>	<u>(458,259)</u>	<u>117,586,096</u>
<b>For the three month-period ended 31 March 2023</b>								
Balance as at 1 January 2023 (Audited)	60,000,000	11,494,460	695,834	(2,829,600)	46,101,978	115,462,672	(512,642)	114,950,030
(Loss) / profit for the period	-	-	-	-	(632,706)	(632,706)	(26,243)	(658,949)
<b>Balance as at 31 March 2023 (Unaudited)</b>	<u>60,000,000</u>	<u>11,494,460</u>	<u>695,834</u>	<u>(2,829,600)</u>	<u>45,469,272</u>	<u>114,829,966</u>	<u>(538,885)</u>	<u>114,291,081</u>

Saber Mohamed Hegazy  
Chief Financial Officer

Abdul Rahman Muhammad bin Imran  
Chief Executive Officer

The accompanying notes from 1 to 17 are an integral part of these condensed consolidated interim financial statements.

**AL OMRAN INDUSTRIAL TRADING COMPANY**  
**SAUDI JOINT STOCK COMPANY**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTH-PERIOD ENDED 31 MARCH 2023**  
(All amounts are in Saudi Riyals unless otherwise noted)

		<b>FOR THE THREE MONTH-PERIOD ENDED 31 MARCH</b>	
	<b>Note</b>	<b>2023 (Unaudited)</b>	<b>2022 (Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before zakat		52,400	2,963,899
<b>Adjustments to reconcile profit for the period before zakat</b>			
Depreciation of property, plant, and equipment		707,433	693,910
Employees' defined benefits liabilities		363,192	210,025
Amortization of right to use assets		100,508	104,421
Finance costs		690,058	514,901
		<u>1,913,591</u>	<u>4,487,156</u>
<b>Changes in working capital:</b>			
Inventory		(13,175,827)	(10,564,772)
Trade receivables		(14,263,370)	(10,991,053)
Prepayments and other debit balances		755,467	(2,400,693)
Trade payables		8,356,960	9,456,622
Accrued expenses and other credit balances		2,712,289	1,842,761
Due to a related party		246,000	527,115
<b>Cash flows from operating activities</b>		<u>(13,454,890)</u>	<u>(7,642,864)</u>
Employees' defined benefits liabilities paid		(63,294)	(116,486)
Zakat paid	12-2	<u>(1,323,135)</u>	<u>-</u>
<b>Net cash flows used in operating activities</b>		<u>(14,841,319)</u>	<u>(7,759,350)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant, and equipment	6	<u>(11,780)</u>	<u>(20,153)</u>
<b>Net cash used in investing activities</b>		<u>(11,780)</u>	<u>(20,153)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from loans		46,966,773	27,488,573
Repayment of loans		(32,646,352)	(17,539,578)
Lease liabilities		(215,120)	(211,986)
<b>Net cash generated from financing activities</b>		<u>14,105,301</u>	<u>9,737,009</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(747,798)</u>	<u>1,957,506</u>
Cash and cash equivalents at the beginning of period		2,756,587	4,112,549
<b>Cash and cash equivalents at the end of period</b>		<u>2,008,789</u>	<u>6,070,055</u>

Saber Mohamed Hegazy  
Chief Financial Officer

Abdul Rahman Muhammad bin Imran  
Chief Executive Officer

The accompanying notes from 1 to 17 are an integral part of these condensed consolidated interim financial statements.



**AL OMRAN INDUSTRIAL TRADING COMPANY**  
**SAUDI JOINT STOCK COMPANY**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**  
(All amounts are in Saudi Riyals unless otherwise noted)

**1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITY**

Al Omran Industrial Trading Company (the "Company") is a Saudi joint stock company that operates under Commercial Registration No. 1010187735 issued in Riyadh on 18 Rabi' al-Akhir 1424H corresponding to 18 June 2003.

As referred to in Note 2, the consolidated financial statements include the financial statements of the company and its subsidiary - Al-Omran Plastic Industries Company, collectively referred to as the "Group".

The issued and authorized capital of the Group is 60 million Saudi riyals divided into 6 million shares, the value of each share is 10 Saudi riyals.

- The Group operates through the following branches, whose assets, liabilities and results of operations have been included in the accompanying consolidated financial statements:

Branch Name	Commercial registration No.	Date of Commercial registration (Hijri)	Date of Commercial registration (Gregorian)	City
Al Raha Air Conditioner Factory	1010154984	27 Rabi' Al Akhir 1420H	9 August 1999	Riyadh
Al-Omran Metal Kitchens Factory	1010440482	19 Muharram 1437H	1 November 2015	Riyadh

- The Company activity is represented in the production of house and electronic appliances, the metal, plastic, paper and cardboard industries, and the complementary works under the industrial license No. (1677 / S) issued on 12 Jumada al- Akhirah 1428H (corresponding to: 27 June 2007), import, export, wholesale and retail trade in house and electronic appliances and plastic products, paper and cardboard, spare parts, purchase of land to construct buildings on it and investing it for the benefit of the company, and managing and operating of real estate for the company.

- The activity of the Al Raha Air Conditioners Factory - Al Omran Industrial Trading Company branch is represented in the manufacture of air conditioners (units or central) Freon, and the manufacture of desert air conditioners of various sizes under renewed industrial license by Resolution No. 411102101929 dated 26 Jumada Al-Awwal 1441H corresponding to 21 January 2020.

- Al-Omran Factory for Metal Kitchens - a branch of Al Omran Industrial Trading Company - is represented in the production of metal industries under the renewed industrial license by Resolution No. 1001008484 dated 29 Safar 1441H corresponding to 28 October 2019.

**2. GROUP STRUCTURE**

- The condensed consolidated interim financial statements as of 31 March 2023 include the financial statements of the company, branches, and the following subsidiary company (collectively referred to as the "Group"):

Company name	Commercial Registration No	Country of incorporation	Ownership percentage	
			31 March 2023	31 December 2022
Al-Omran Plastic Industries Company	1010432884	Saudi Arabia	%70	%70



**AL OMRAN INDUSTRIAL TRADING COMPANY**  
**SAUDI JOINT STOCK COMPANY**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**  
(All amounts are in Saudi Riyals unless otherwise noted)

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**2. GROUP STRUCTURE (CONTINUED)**

-Al-Omran Plastic Industries Company (Subsidiary company) is a limited liability company that operates under Commercial Registration No. 1010432884 issued in the city of Riyadh on 2 Rajab 1436H corresponding to 21 April 2015.

The main activity of Al-Omran Plastic Industries Company is represented in the production of desert air conditioners, plastic air conditioner spare parts, spoons, chocolates, plastic knives, fittings, profile water standards, display shelves, joints for display coolers, joints and bases for display shelves, plastic chair, plastic containers, and profiles for industrial and plastic refrigerator doors under the renewed industrial license by the Resolution No. 1001008937 dated 29 Safar 1441H corresponding to 28 October 2019.

**3. BASIS OF PREPARATION AND MEASUREMENT**

**3.1 Statement of Compliance:**

The company's condensed consolidated interim financial statements have been prepared for the three-month period ending 31 March 2023, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed in Kingdom of Saudi Arabia (KSA) and pronouncements and other standards that are issued by the Saudi Organization for Certified Public Accountants ("SOCBA").

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at 31 December 2022. In addition, the results of the operations of the initial periods are not necessarily indicative of the results of the operations of the full year.

**3.2 Basis of measurement:**

The condensed consolidated interim financial statements have been prepared in accordance with the historical cost principle except in cases where international financial reporting standards require another basis for measurement.

**3.3 Presentation and functional currency:**

These condensed consolidated interim financial statements are presented in Saudi Riyals, which is the company's functional currency as well as the presentation currency.

**3.4 Basis of Consolidation:**

The condensed consolidated interim financial statements include the financial statements of Al-Omran Industrial Trading Company and branches and its subsidiary (the Group) as stated in Note 2.

Control is achieved when the Group has:

- The ability to control the invested entity.
- A right to variable returns as a result of their association with the invested entity.
- The ability to use its control to affect investment returns.

The Group reassess whether or not it controls any of the invested entities, if facts and circumstances indicate the occurrence of changes in one or more of the elements of control as mentioned above.



**AL OMRAN INDUSTRIAL TRADING COMPANY**  
**SAUDI JOINT STOCK COMPANY**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

(All amounts are in Saudi Riyals unless otherwise noted)

**3. BASIS OF PREPARATION AND MEASSUREMENT (CONTIUNED)**

When the Group's voting rights in any of the invested entities are less than the majority of the voting rights in it, the company has control over that invested entity when the voting rights are sufficient to give it the practical ability to direct the activities related to the invested entity individually. The Group takes into account all relevant facts and circumstances when assessing whether the company has voting rights in the invested entity group to give it control. These facts and circumstances include:

- The size of voting rights the Group possesses in relation to the size and extent of ownership of other voting rights holders.
- The potential voting rights of the Group and other voting rights holders or other parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances that may indicate that the Group has, or does not have, the current ability to direct relevant activities when decisions are needed, including how to vote at previous shareholder meetings.

The process of consolidating a subsidiary begins when the Group gains control over that subsidiary, while that process stops when the group loses control of the subsidiary. In particular, income and expenses of the subsidiary acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the date the Group acquires control until the date on which the group's control over the subsidiary ends.

The consolidated statement of profit or loss and each component of the other comprehensive income are distributed among the shareholders of the Group. The total other comprehensive income of the subsidiary is distributed among the shareholders of the Group.

When necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies into line with those used by the group.

All transactions and balances including assets, liabilities, equity, incomes, expenses and cash flows arising from intra-group transactions are eliminated upon consolidation.

**Changes in the Group's equity in existing subsidiaries**

Changes in the Group's ownership in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying values of the Group's ownership and the non-controlling interests are adjusted to reflect changes in its ownership in the subsidiaries. Any difference between the value of the non-controlling interest adjustment and the fair value of the consideration paid or received is recognized directly in equity and attributable to the shareholders of the Group.

When the Group loses control over the subsidiary, any profit or loss is recognized in the consolidated income statement and is calculated on the basis of the difference between 1- the total fair value of the amount received and the fair value of any interest retained and 2- the previously listed book value of the assets (including goodwill) Liabilities of the subsidiary and any non-controlling interest. All amounts previously recognized in other comprehensive income related to that subsidiary are accounted for as if the group had eliminated the assets or liabilities of the subsidiary directly (in other words, reclassification to profit or loss or transfer to another classification in equity as specified / Allowed in accordance with International Financial Reporting Standards). The fair value of the ratios that are retained from the investment in the previous subsidiary at the date of loss of control is considered as the fair value of the investment remaining upon initial recognition in subsequent periods in accordance with IFRS 9 and in the event that it becomes an associate company or a joint venture then the fair value is considered as a cost for the initial recognition of the investment in an associate or a joint venture.



**AL OMRAN INDUSTRIAL TRADING COMPANY**  
**SAUDI JOINT STOCK COMPANY**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

(All amounts are in Saudi Riyals unless otherwise noted)

**4. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS**

Condensed consolidated interim financial statements are prepared in accordance with the applicable accounting principles and policies requires the use of judgments, estimates and assumptions that affect the values of incomes, expenses, assets, liabilities and the accompanying explanations, in addition to the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could lead to outcomes that require a material adjustment to the carrying amounts of the assets and liabilities affected in future periods.

The following are the assumptions related to the future and other main sources of uncertainty as of the date of the statement of financial position, which are considered high risks that may lead to significant adjustments in the book values of assets and liabilities during the next financial period. The Group relies on its assumptions and estimates on standards available to it when preparing the financial statements. These assumptions and estimates about future changes may change as a result of market changes and circumstances beyond the control of the Group. Such changes in assumptions are explained when they occur.

**4.1 Useful lives of property, plant and equipment**

The Group conducts a periodic review of the estimated useful lives and depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

**4.2 Estimation of defined benefit obligations**

The cost of the defined benefit obligation and the present value of the obligation are determined using actuarial valuations. In addition, a defined liability requires assumptions that must be made for future results which mainly include an increase in salaries and benefits, and the discount rate used to convert future cash flows to present value. Any changes in these assumptions will affect the carrying amount of the liability. All assumptions are reviewed at the end of each financial year.

**4.3 Zakat provision**

When estimating the current Zakat due by the group, the management takes into consideration the applicable laws and GAZT decisions / provisions regarding some of the previous issues.

**4.4 Impairment of non-financial assets**

In assessing impairment, management estimates the recoverable amount of each cash-generating asset or unit on the basis of expected future cash flows and uses the interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of an appropriate discount rate.

**4.5 Impairment provision for trade receivables**

The Group applies the simplified method, which requires lifetime expected credit losses to be recognized since the initial measurement of receivables. The assessment of ECL requires several estimates related to customer ratings, discount rates, and general evaluation of economic conditions in the market. Management uses its best estimates and historical customer trends to assess the accounts receivable allowance under the ECL method.

**4.6 Provision for slow moving and damaged inventory**

The management makes a provision for slow moving, obsolete, and damaged inventory items. Estimates of net realizable value are based on the most reliable evidence at the time the estimates are made. These estimates take into account fluctuations in prices or costs directly related to events that occur at a later date on the date of the consolidated statement of financial position to the extent that these events confirm the conditions in place at the end of the year.

**5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied to these condensed interim financial statements are the same as those applied to the last year's financial statements as in the year ended 31 December 2022.



AL OMRAN INDUSTRIAL TRADING COMPANY  
SAUDI JOINT STOCK COMPANY  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

(All amounts are in Saudi Riyals unless otherwise noted)

6. PROPERTY AND EQUIPMENT, NET

	<u>Lands</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Cars</u>	<u>Furniture and fixtures</u>	<u>Monitoring systems</u>	<u>Total</u>
<b>Book value:</b>							
Balance as at 1 January 2022 (Audited)	20,408,620	14,122,338	37,005,247	8,145,474	2,994,587	21,730	82,697,996
Additions during the period	-	-	-	-	11,780	-	11,780
<b>Balance as at 31 March 2022 (Unaudited)</b>	<b>20,408,620</b>	<b>14,122,338</b>	<b>37,005,247</b>	<b>8,145,474</b>	<b>3,006,367</b>	<b>21,730</b>	<b>82,709,776</b>
<b>Accumulated depreciation</b>							
Balance as at 1 January 2023 (Audited)	-	10,428,510	26,294,430	7,780,225	2,513,048	17,566	47,033,779
Charged during the period	-	128,419	492,151	32,042	54,628	193	707,433
<b>Balance as at 31 March 2023 (Unaudited)</b>	<b>-</b>	<b>10,556,929</b>	<b>26,786,581</b>	<b>7,812,267</b>	<b>2,567,676</b>	<b>17,759</b>	<b>47,741,212</b>
<b>Net Book Value</b>							
<b>Balance as at 31 March 2023 (Unaudited)</b>	<b>20,408,620</b>	<b>3,565,409</b>	<b>10,218,666</b>	<b>333,207</b>	<b>438,691</b>	<b>3,971</b>	<b>34,968,564</b>
Balance as at 31 December 2022 (Audited)	20,408,620	3,693,828	10,710,817	365,249	481,539	4,164	35,664,217

In 2016, a plot of land located in Al-Kharj Road neighborhood in Riyadh, which amounted to 20,408,620 Saudi riyals as on 31 March 2023 (2022: 20,408,620 Saudi riyals), was mortgaged against an Islamic financing agreement signed with Riyad Bank. (Note 10).

**AL OMRAN INDUSTRIAL TRADING COMPANY**  
**SAUDI JOINT STOCK COMPANY**  
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**7. INVENTORY, NET**

	<b>31 March 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Finished goods	65,147,466	51,876,954
Spare parts	37,299,799	34,720,669
Raw materials	12,816,022	13,189,190
Products in progress	3,825,402	6,126,049
<b>Total</b>	<b>119,088,689</b>	<b>105,912,862</b>
Deduct: Provision for impairment of inventory	(1,834,111)	(1,834,111)
	<b>117,254,578</b>	<b>104,078,751</b>

The movement in the provision for impairment in inventory value is as follows:

	<b>31 March 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Balance at the beginning of the year	1,834,111	1,688,834
Charged during the period/ year	-	145,277
Balance as at the end of the period/ year	<b>1,834,111</b>	<b>1,834,111</b>

**8. TRADE RECEIVABLES, NET:**

	<b>31 March 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Trade receivables	60,452,731	46,037,226
Less: provision for expected credit losses	(8,942,957)	(8,942,957)
Discounts payable to customers	(922,108)	(769,973)
	<b>50,587,666</b>	<b>36,324,296</b>

The movement in the provision for expected credit losses is as follows:

	<b>31 March 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Balance at the beginning of the year	8,942,957	8,942,957
Charged during the period/ year	-	-
Balance at the end of the period/ year	<b>8,942,957</b>	<b>8,942,957</b>

**9. CAPITAL**

As on 31 March 2023 the company's subscribed and paid-in capital amounted to 60,000,000 Saudi riyals (31 December 2022: 60,000,000 Saudi riyals), divided into 6,000,000 shares (31 December 2022: 6,000,000 shares), the value of each share is 10 Saudi riyals.



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**10. LOANS**

The balance represents the value used from bank facilities to import goods under letter of credits issued by local banks. These borrowings are often of a renewable nature and loan fees are determined based on market prices. These borrowings are guaranteed for the benefit of the banks through the land owned by the company under the instrument number 910106038304 and bonds amounted to 39 million Saudi riyals Note 6.

**11. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Parties are considered as related parties if one party has the ability to control the other or exercise significant influence over the other party in making financial and operating decisions. Related parties consist of shareholders, directors, committees, and businesses in which the shareholders and directors, individually or collectively, have significant influence. The Group's transactions with related parties are conducted on an arm's length basis in the ordinary course of business and are approved by the management.

**11-1 Due to a related party**

Entity name	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Abaad Real Estate Investment Company	1,765,025	1,519,025
	<u>1,765,025</u>	<u>1,519,025</u>

**11-2 Most of significant transactions that took place with the related party during the period are as follows:**

	Nature of relationship	Nature of the transactions	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
Abaad Real Estate Investment Company	Sister Company	Paying expenses on behalf of the Company	-	222,885
		Fund	-	(750,000)
		Rents	(246,000)	-

**11-3 Benefits, Remunerations and Compensations of Board Members and Senior Executives:**

	For the period ended 31 March 2023		For the period ended 31 March 2022	
	Members of BOD and committees	Key management personnel	Members of BOD and committees	Key management personnel
Committee members' fees	14,000	2,000	17,000	2,000
salaries and wages	-	300,680	-	277,680
allowances	-	120,238	-	79,074
End of service	-	36,113	-	27,519
	<u>14,000</u>	<u>459,031</u>	<u>17,000</u>	<u>386,273</u>



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**12- ZAKAT PROVISION**

**12-1 Zakat status**

The Group submitted its zakat returns to the General Authority of Zakat and Tax ("the Authority") until the year ended on 31 December 2022 and has obtained a certificate from the General Authority for Zakat and Tax valid until 10 Shawal 1444 H corresponding to 30 April 2023, for the zakat returns submitted for the year ended on 31 December 2021. On 20 July 2020, an initial zakat assessment was made on Al Omran Industrial Trading Company "the Parent Company" by the General Authority for Zakat and Income for the years from 2014 to 2018 in the amount of 2.75 Million Saudi riyals. On 20 September 2020, the Group submitted an objection to the General Authority Zakat and income and is still under examination and study by the Authority. The balance of the provision formed to meet the expected claims for the zakat assessment amounted to 2,297,211 Saudi riyals as of 31 March 2023 (31 December 2022: SR 2,297,211). On 31 October 2021, an initial assessment was made on Al-Omran Industrial Trading Company, the "Parent Company", by the General Authority for Zakat and Income for the years 2019 to 2020, in the amount of 797,211 Saudi riyals, and there's provision has been made by the amount.

**12.2 Movement of Zakat Provision**

	<b>31 March 2023</b> <b>(Unaudited)</b>	<b>31 December 2022</b> <b>(Audited)</b>
Balance at the beginning of the period/year	<b>4,199,159</b>	2,766,661
Charged during the period/year	<b>711,349</b>	2,884,282
Paid during the period/year	<b>(1,323,135)</b>	(1,451,784)
Balance at the end of the period/year	<b>3,587,373</b>	4,199,159

**13-SEGMENTS REPORTS**

Segmental information relates to the activities and works of the Group, which the Group's management relied on as a basis for preparing its own financial information, for its compatibility with internal reporting methods, transactions between segments are carried out on the same terms as dealing with other parties.

The assets, liabilities and operating activities of the segments include items that are directly related to a particular segment and items that can be allocated to different segments on a reasonable basis.

The following is a summary of the financial sectoral information in Saudi riyals as of 31 March 2023 and 31 March 2022, respectively, according to the nature of the activity:

**31 March 2023:**

	<b>Industrial sector</b>	<b>Commercial sector</b>	<b>Total</b>
Revenue	12,040,142	29,391,841	41,431,983
Cost of sales	8,947,725	26,267,356	35,215,081
<b>Gross profit</b>	<b>3,092,417</b>	<b>3,124,485</b>	<b>6,216,902</b>
Selling and marketing expenses	1,576,662	1,931,069	3,507,731
General and administrative expenses	702,730	1,263,983	1,966,713
<b>Profit from operating</b>	<b>813,025</b>	<b>(70,567)</b>	<b>742,458</b>
Finance costs	263,088	426,970	690,058
<b>Profit before zakat</b>	<b>549,937</b>	<b>(497,537)</b>	<b>52,400</b>
Zakat	355,675	355,674	711,349
<b>Loss for the period</b>	<b>194,262</b>	<b>(853,211)</b>	<b>(658,949)</b>

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**13-SEGMENTS REPORTS (CONTIUNED)**

31 March 2022:

	<u>Industrial sector</u>	<u>Commercial sector</u>	<u>Total</u>
Revenue	17,612,168	23,865,311	41,477,479
Cost of sales	13,366,931	19,705,214	33,072,145
<b>Gross profit</b>	4,245,237	4,160,097	8,405,334
Selling and marketing expenses	1,781,975	1,663,265	3,445,240
General and administrative expenses	733,599	747,695	1,481,294
<b>Profit from operating</b>	1,729,663	1,749,137	3,478,800
Finance costs	214,997	299,904	514,901
<b>Profit before zakat</b>	1,514,666	1,449,233	2,963,899
Zakat	311,605	372,488	684,093
<b>Profit for the period</b>	1,203,061	1,076,745	2,279,806

Foreign sales did not meet any of the quantitative limits referred to in IFRS 8 "Operating Segments" hence, the geographical segments information was not disclosed.

**14- (LOSS) / EARNING PER SHARE FOR THE PERIOD**

Basic and diluted share of net (loss) / profit is calculated by dividing the profit for the period attributable to the shareholders of the company by the weighted average number of ordinary shares outstanding at the end of the period. The number of shares outstanding as on 31 March 2023, amounted to 6 million shares (6 million shares: 31 March 2022).

There was no write-down affecting the weighted average number of ordinary shares.

**15- SIGNIFICANT EVENTS**

The Company's management believes that there are no events subsequent to the date of the financial statements that require an amendment or disclosure of the financial statements.

**16-APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These condensed consolidated interim financial statements for the period ended on 31 March 2023 were approved by the Board of Directors on 22 May 2023 corresponding to 2 Dhu al-Qidah 1443H.